



**GUIDE:** WHY  
INVEST IN  
ONSITE  
HEALTHCARE?



# WHY INVEST IN WELLNESS?

A recent “Wellness in the Workplace” study found that over 80% of employers said they were planning to increase their wellness and well-being budgets in 2019. More than twice as many employers said workplace wellness and well-being programs are important to their employee benefits mix (77%) than did a decade ago (33%).

Why invest in wellness? Many employers in many different industries invest in corporate wellness programs for different reasons.

## EMPLOYER CHALLENGES

### CONTROLLING COSTS

Healthier employees are less costly.

### REDUCING ABSENTEEISM

Healthier employees miss less work.

### INCREASING PRODUCTIVITY

Healthier employees are more productive.

### IMPROVING EMPLOYEE MORALE & ENHANCING ORGANIZATIONAL IMAGE

A company that cares about the health of employees is often seen as a better place to work.

# REASONS EMPLOYERS SHOULD CARE ABOUT PROVIDING WELLNESS BENEFITS FOR THEIR EMPLOYEES:

## COSTS

Control costs. The average Cost/Benefit ratio for wellness programs is \$3.48 saved per \$1 invested.

## PRODUCTIVITY

Increase productivity. Presenteeism can be described by employees who are physically present at the workplace, but ineffective. Working while ill (mentally or physically) can cause distraction, productivity loss, poor health, exhaustion, etc. The cost of lost productivity is double or even triple the cost of health care.

## HIRING/RETENTION

Hire and retain top talent. Investing in health and wellness can reduce turnover, improve retention, and attract new talent by demonstrating that the company cares for its employees. Wellness programs give companies a competitive advantage when candidates are comparing benefits packages at different jobs.

# HEALTHCARE COSTS CONTINUE TO RISE

According to the 2021 Large Employers' Health  
Care Strategy and Plan Design Survey:

**5.3%**

EXPECTED RISE IN TOTAL COST OF  
HEALTH BENEFITS IN 2021

**\$15,500**

EXPECTED RISE IN TOTAL COST OF  
HEALTHCARE PER EMPLOYEE IN  
2021

**70%**

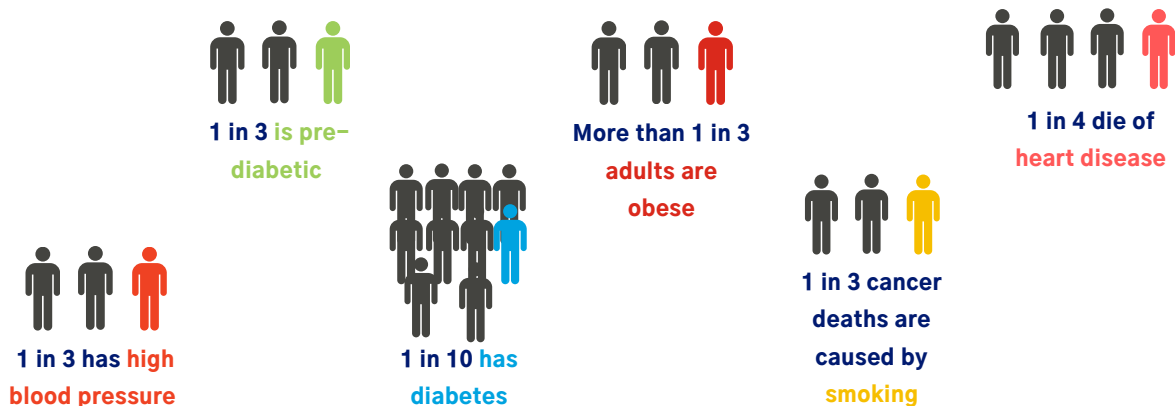
AMOUNT OF HEALTHCARE COSTS  
COVERED BY EMPLOYERS, WHILE  
EMPLOYEES WILL BEAR ABOUT 30%,  
OR NEARLY \$4,500

**45%**

OF EMPLOYERS WILL VIEW THEIR  
HEALTH CARE STRATEGY AS AN  
INTEGRAL PART OF THEIR  
WORKFORCE STRATEGY IN 2021, UP  
FROM 36% IN 2019.

# CHRONIC DISEASE PREVENTION CAN HELP ADDRESS RISING HEALTH CARE COSTS

Seven of the top ten causes of death in the U.S. are chronic diseases. A little over half of all adults have at least one chronic health problem. A significant number (1 in 4) have two or more chronic health problems.



## COST OF CHRONIC DISEASE

The annual cost of chronic diseases in the U.S. alone could reach more than \$4.1 trillion by 2023. Chronic diseases make up about 86 percent of all healthcare costs. The cost of chronic disease also expands when considering another significant chronic medical illness associated with chronic disease: depression. Depression represents a disproportionately high productivity cost to employers, averaging \$17 per employee per year in disability wage replacement costs with diabetes falling as the next-highest chronic condition.

# ADDITIONAL INDIRECT HEALTHCARE COSTS

Besides direct medical costs, chronic disease also negatively impacts indirect costs through absenteeism and decreased productivity.

**\$1,685**

ANNUAL PRODUCTIVITY LOSSES  
LINKED TO MISSED WORK FOR  
HEALTH-RELATED ISSUES, PER  
EMPLOYEE

**\$350B**

ESTIMATED EMPLOYEE  
DISENGAGEMENT COSTS FOR THE  
U.S. ECONOMY EVERY YEAR

**\$450M**

MORE WORK DAYS MISSED FOR  
EMPLOYEES WHO ARE OVERWEIGHT,  
OBESE, AND HAVE OTHER CHRONIC  
HEALTH CONDITIONS COMPARED TO  
HEALTHY EMPLOYEES

**\$530B**

IN PRODUCTIVITY LOST EACH YEAR  
DUE TO WORKER ABSENCE AND  
CHRONIC CONDITIONS





# **SOLUTION: SHIFT TO DISEASE PREVENTION & WELLNESS**

Unhealthy behaviors are the cause for many of these chronic conditions. Investments directed toward improving behaviors that contribute most prominently to chronic diseases can make huge strides toward preventing and reversing chronic diseases. Lifestyle factors such as a healthy diet, regular exercise, and tobacco cessation play a key role in mitigating risks, including overweight and depression.

**ACCORDING TO A STUDY BY THE MILKEN INSTITUTE, THE U.S. COULD PREVENT ABOUT 40 MILLION CASES OF CHRONIC DISEASE BY 2023 WITH “MODEST IMPROVEMENTS IN PREVENTING AND TREATING DISEASE” USING A HOLISTIC APPROACH TO CONTROL ESCALATING HEALTHCARE COSTS DUE TO CHRONIC DISEASE:**

- Promote healthy living
- Detect problems early
- Manage any existing disease



# EMPLOYERS NEED TO LOOK BEYOND

The future may be uncertain, but a few ways businesses will be able to better manage an expected roller-coaster in health care costs and premiums are through:

- A rigorous approach in the way they purchase health care benefits
- Leveraging digital health technologies and out-of-the-box solutions
- Direct partnerships with physicians and experts in prevention and population health management

Given the rising health care costs, do not seek a short-term fix by raising copayments, deductibles, and other out-of-pocket costs for next year. While this strategy may initially reduce spending on health care, studies show that it will disincentivize employees to seek preventative treatment. In fact, families with higher deductibles are less likely to take their children to see the doctor, even when the visit is free. Over time, this leads to worse health outcomes for employees and their families, which also means much higher costs.



# SEEING A RETURN ON INVESTMENT TAKES TIME

In reality, It takes time for your wellness program to get off the ground, and even longer before you start to see the return on investment. Keep in mind that this is a long-term commitment, but it will be well worth the wait.

**Looking to  
Get Started?**

**Let's Talk!**

